

4/25/01

THIS DISPOSITION IS NOT  
CITABLE AS PRECEDENT OF  
THE TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
2900 Crystal Drive  
Arlington, Virginia 22202-3513

BAC

Cancellation No. 14,936

Shen Manufacturing Company  
Incorporated

v.

Ritz Hotel Limited

Before Quinn, Chapman and Wendel, Administrative Trademark  
Judges.

By the Board:

Registration No. 1,307,072 issued to the Ritz Hotel  
Limited (a United Kingdom corporation) on the Principal  
Register for the mark HOTEL RITZ for "drinking glasses" in  
International Class 21, and "champagne" in International  
Class 33.<sup>1</sup>

On May 21, 1985 Shen Manufacturing Company Incorporated  
filed a petition to cancel the International Class 21 goods  
in the registration alleging that since April 1918  
petitioner or its predecessor has continuously used the mark  
RITZ and design in connection with kitchen textiles and

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<sup>1</sup> Registration No. 1,307,072, issued November 27, 1984, Section 8  
affidavit accepted. The claimed dates of first use and first use  
in commerce for the International Class 21 goods are 1971 and  
July 1, 1981, respectively. The claimed dates of first use and  
first use in commerce for the International Class 33 goods are  
1971 and February 21, 1977, respectively.

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related goods, such as dish cloths, kitchen towels and bathroom towels; that petitioner has priority by over one half century; that petitioner owns application Serial No. 73/206,889<sup>2</sup> for the mark shown below

for "dish cloths, kitchen towels, bathroom towels, toaster covers, textile placemats, napkins, potholders and barbecue mits (sic)," which was published for opposition on February 12, 1985; that petitioner also owns U.S. Registration Nos. 125,512,<sup>3</sup> 309,868<sup>4</sup> and 1,231,981<sup>5</sup>, as well as registrations in Great Britain, France, Italy, Canada and Switzerland; that through long continuous use and extensive advertising of the mark RITZ and design by petitioner, it has become associated in the marketplace with goods emanating from petitioner; and that respondent's mark, when used in connection with its drinking glasses, so resembles

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<sup>2</sup> Informationally, during the pendency of this cancellation proceeding, petitioner's application Serial No. 73/206,889 issued as Registration No. 1,360,630 on September 17, 1985. The registration was cancelled under Section 8 of the **Trademark Act** on February 26, 1992.

<sup>3</sup> Registration No. 125,512, issued May 20, 1919, for the mark for "cleaning and polishing cloths," renewed (fourth renewal in 1999 - 10 years).

<sup>4</sup> Registration No. 309,868, issued February 6, 1934, for the mark for "dish, floor, dust, and polishing cloths," expired under Section 9 in 1994.

<sup>5</sup> Registration No. 1,231,981, issued March 22, 1983, for the mark RITZ and design (as shown above for petitioner's application) for

petitioner's mark as to be likely to cause confusion, mistake, or deception.

In its answer, (timely filed on December 16, 1985 - via certificate of mailing), respondent admitted that petitioner's application "Serial Number [73/]206,889 was published on February 12, 1985"; and respondent otherwise denied the salient allegations of the petition to cancel. Respondent also raised the affirmative defenses of estoppel regarding petitioner's claim of a strong mark, and laches.

The Board mailed the initial trial order in this case on January 13, 1986, setting discovery to close on April 14, 1986. Thereafter, discovery and trial dates were extended several times by Board approval of the parties' consented motions to extend dates, with discovery last reset to close on December 12, 1986.

On January 8, 1987, petitioner's attorney filed an application to withdraw as counsel for petitioner. Petitioner's attorney's withdrawal was granted by Board order dated February 17, 1987, and proceedings were suspended allowing petitioner time to appoint new counsel. Petitioner's request for an extension of time to appoint new counsel was granted by order dated March 25, 1987. Because there was no appointment of new counsel from petitioner within the extended time frame, the Board, on June 22, 1987,

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"aprons," Section 8 affidavit accepted, Section 15 affidavit

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resumed proceedings, and trial dates were reset, with petitioner's testimony period to close on August 14, 1987, respondent's testimony period to close on October 13, 1987, and petitioner's rebuttal testimony period to close on November 27, 1987.

There was no further activity in the cancellation proceeding, and on March 8, 1988, the Board mailed an order to show cause to petitioner pursuant to Trademark Rule 2.128(a)(3), regarding petitioner's failure to file a brief on the case.

In response to the show cause order, petitioner filed on March 21, 1988, a consented motion to extend the briefing dates referring to, inter alia, an exchange of settlement proposals. Briefing dates were then continuously extended or suspended for settlement discussions from 1988 to 1998, when, on December 4, 1998, the Board mailed an order resuming proceedings, and resetting briefing dates. Petitioner timely filed its brief on the case on January 19, 1999 (via certificate of mailing).

This case now comes up on the following motions:

(1) respondent's motion to dismiss for failure to prosecute the case under Trademark Rule 2.132(a), or alternatively, to strike petitioner's brief (filed February 16, 1999);

(2) petitioner's motion for summary judgment, or alternatively, to reopen

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acknowledged.

discovery and trial dates (filed March 8, 1999-via certificate of mailing); and

(3) petitioner's motion to use testimony from another proceeding pursuant to Trademark Rule 2.122(f) (filed August 2, 1999-via certificate of mailing).<sup>6</sup>

We turn first to petitioner's motion for summary judgment, or alternatively, to reopen discovery and trial dates. Pursuant to Trademark Rule 2.127(e)(1), a motion for summary judgment should be filed prior to the opening of the first testimony period, as originally set or as reset. In this case petitioner's testimony period was last reset to close on August 14, 1987 (opening in mid-July 1987). Petitioner's motion for summary judgment, being untimely by over a decade, is denied. See TBMP §528.02.

The issue presented by both petitioner's alternative motion to reopen discovery and trial dates and respondent's motion for to dismiss under Trademark Rule 2.132(a) is whether petitioner's failure to timely take testimony or offer any other evidence resulted from excusable neglect within the contemplation of Fed. R. Civ. P. 6(b). The

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<sup>6</sup> Petitioner filed on March 19, 1999 (via certificate of mailing) a "motion by consent to reset testimony period," but on March 24, 1999 (via certificate of mailing) petitioner filed a "notice of incorrect filing" withdrawing the "motion by consent" because it was filed in error in this case; instead, it was intended for one of the related cases between the parties. (The related cases consist of seven oppositions and this cancellation proceeding.)

question of what constitutes excusable neglect is within the sound discretion of the Board. See TBMP §§509.01 and 535.02.

As clarified by the Supreme Court in *Pioneer Investment Services Company v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993), and followed by the Board in *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997), a determination of whether a party's neglect is excusable involves consideration of (1) the prejudice to the non-moving party, (2) the length of the delay and its potential impact on judicial proceedings, (3) the reason for the delay, including whether it was within the reasonable control of the moving party, and (4) whether the moving party had acted in good faith. *Pioneer*, supra at 395.

In its alternative motion to reopen, petitioner contends that both parties failed to introduce any evidence due to on-going good-faith settlement negotiations; that these negotiations continue "to this day" (motion brief, p. 10) involving attempts to settle all of the related proceedings between the parties; and that respondent will not be prejudiced by a reopening as it filed its motion to dismiss 12 years after the close of petitioner's testimony period.

Respondent contends that petitioner as plaintiff bears the burden of going forward with its case and introducing

evidence into the record; that the existence of settlement discussions, even if consented to by the other party, does not excuse a plaintiff's failure to act or to timely move for a reopening; that petitioner did not request a reopening until after receipt of respondent's motion to dismiss, all being over a decade after the close of petitioner's testimony period; and that the policy considerations articulated by the Board in *Pumpkin, Ltd. v. The Seed Corps*, supra, weigh heavily against a finding of excusable neglect.

Petitioner acknowledges that it did not introduce its registrations into the record during its testimony period,<sup>7</sup> but argues that in the answer to the petition to cancel, respondent "admitted and thereby introduced into evidence three of petitioner's registrations" (motion brief, p. 5) through (i) respondent's admission of the publication of petitioner's application Serial No. 73/203,889 (later Registration No. 1,360,630), and (ii) respondent's affirmative defense referring to petitioner's arguments made during the prosecution of what became petitioner's pleaded Registration No. 1,231,981, and (iii) petitioner's Registration No. 1,231,981 includes a claim of ownership of petitioner's Registration No. 125,512.

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<sup>7</sup> We note that the copies attached to the original petition to cancel are photocopies, not current status and title copies prepared by the USPTO as provided for in Trademark Rule 2.122(d)(1).

This argument is spurious on its face. An admission that an application was published for opposition is an admission of only the publication, and not of the existence and validity and current ownership of any registration resulting therefrom. Respondent's affirmative defense is not an admission at all, but relates to its estoppel defense. An admission about one registration (which has not occurred here) would certainly not encompass an admission regarding a registration claimed therein. There is nothing in respondent's answer that could in any way be read, interpreted, or even liberally construed as an admission of the status and/or title of petitioner's pleaded registrations, or of title to petitioner's pleaded application.

Simply stated, petitioner has taken no testimony nor introduced any evidence of any kind into the record, and respondent did not admit the status and/or title of petitioner's pleaded registrations.

Looking at the Pioneer case factors in the context of the case now before us, we find there is no evidence that petitioner's failure to present evidence was the result of bad faith, and there is no evidence of prejudice to respondent, especially inasmuch as respondent was generally willing to extend and suspend this case for over a decade.



However, we find the remaining factors weigh heavily against a finding of excusable neglect. Specifically, the length of petitioner's delay in moving to reopen dates is very substantial, being from 1987 to 1999, and petitioner moved to reopen dates only after respondent moved to dismiss. Petitioner prepared a 9-page trial brief on this case either without noticing that it had presented no evidence or testimony in this case, or else noticing but choosing not to move to reopen the case.<sup>8</sup> Respondent apparently noticed this fact and moved to dismiss the case.<sup>9</sup> It was only in response to the action taken by respondent that petitioner moved to reopen this case, about 12 years after its testimony period had closed. This delay, even if the parties were discussing settlement, is egregious.

The impact on judicial proceedings here is substantial, and specifically the effect on the Board in the conduct of

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<sup>8</sup> Petitioner's brief includes no argument that respondent had admitted petitioner's pleaded registrations and/or petitioner's "application" into the record.

<sup>9</sup> We recognize that respondent's motion to dismiss under Trademark Rule 2.132(a) was filed years after the close of respondent's testimony period. Certainly the better practice would have been for respondent to promptly move after the close of petitioner's testimony period. However, Trademark Rule 2.132(c) allows the Board discretion in considering such motions even if filed after the opening of the defendant's testimony period. See *Hewlett-Packard Co. v. Olympus Corp.*, 931 F.2d 1551, 18 USPQ2d 1710 (Fed. Cir. 1991). The unusual circumstances of this case warrant our consideration of respondent's motion to dismiss.

proceedings before it generally is substantial.<sup>10</sup> Board proceedings are lengthy due to the nature of our proceedings which are conducted in writing rather than by live testimony, and the steadily growing docket of active cases places increasing burdens on the Board. Of course, the Board, as well as parties to Board proceedings generally, have an interest in minimizing the amount of the Board's time and resources that must be directed to matters such as motions to reopen cases wherein the plaintiff failed to timely present its case. See *Hewlett-Packard Co. V. Olympus Corp.*, supra, at 1713 ("While it is true that the law favors judgments on the merits wherever possible, it is also true that the Patent and Trademark Office is justified in enforcing procedural deadlines.") The length of the egregious delay involved here has already been discussed.

There is no question that the reason for petitioner's delay was reasonably within the control of petitioner. That is, petitioner's failure to present evidence or more timely move to reopen the time to do so was caused by circumstances wholly within petitioner's control. Petitioner has known since March 1988 (the month the Board sent a show cause order regarding petitioner's failure to file a brief after trial) that its testimony period was closed in this case,

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<sup>10</sup> The Board is not a Court, but rather is an administrative tribunal with jurisdiction over the question of registrability only. See Section 17 of the **Trademark Act**, and TBMP §102.01.

and certainly petitioner knew (or should have known) that it had neither taken trial testimony nor offered any other evidence into the record (e.g., a notice of reliance on its registrations prepared by the USPTO and showing current status and title). Clearly petitioner could have moved to reopen trial dates at any time, presenting its reasons for its failure to timely act. Petitioner filed no such motion except in response to respondent's motion to dismiss. While it is true that respondent agreed to extensions and suspensions based on settlement discussions,<sup>11</sup> it is also true that it is petitioner's responsibility to present its case in a timely manner. Petitioner's testimony period closed in 1987, and the twelve-year delay for settlement occurred thereafter. The failure to timely act with regard to trial, and the delay based on settlement discussions were within petitioner's control. See *Atlanta-Fulton County Zoo Inc. v. DePalma*, 45 USPQ2d 1858, 1859 (TTAB 1998).

Petitioner's alternative motion to reopen is denied.

Petitioner, as plaintiff, bears the burden of proving its case, and, as fully explained above, petitioner has submitted nothing in the record in this case, and respondent has not admitted any salient allegation of the petition to

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<sup>11</sup> We note that very little specific information regarding the progress of settlement discussions was included in the many consented motions to extend or suspend filed in this case.

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cancel. Respondent's motion to dismiss pursuant to  
Trademark Rule 2.132(a) is granted.

Accordingly, the petition to cancel is denied with prejudice.<sup>12</sup>

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<sup>12</sup> Petitioner's motion to use testimony from another proceeding pursuant to Trademark Rule 2.122(f) is denied. First, the motion was not filed prior to or during petitioner's testimony period, but was filed by petitioner five months after petitioner's filed its motion for summary judgment or alternatively, to reopen discovery and trial dates. Second, the motion inappropriately refers to "testimony" as "pleaded registrations, testimony depositions, printed publications, and official records" from seven opposition proceedings involving the same parties, whereas, Trademark Rule 2.122(f) refers only to actual testimony depositions taken of witnesses. Third, the motion did not include a copy of the testimony (with any accompanying exhibits) as explained in TBMP §531. Fourth, petitioner's motion to reopen discovery and trial dates has been denied, and respondent's motion to dismiss has been granted. See also, TBMP §715.